

# MULTI-FAMILY DEVELOPMENT OPPORTUNITY

0.566 ACRE PARCEL  
PERMITTED FOR 40 - UNITS (STUDENT HOUSING)

**REDUCED PRICE**



EXCLUSIVELY REPRESENTED BY:

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**CBRE**

INTRODUCTION THE OFFERING

CB Richard Ellis has been retained as the Exclusive Listing Agent and is pleased to present for sale a unique ground-up development opportunity located 6195 Montezuma Road in the College Area of Central San Diego. The Montezuma Site ("the Property") presents an investor with the opportunity to acquire a fully entitled vacant 0.566 acre tract of land for a proposed purpose-built student housing community of 40 apartment units containing a gross living area of 41,624 square feet.

The Property is being offered at \$4,200,000. \$3,650,000



# INTRODUCTION INVESTMENT HIGHLIGHTS

## INVESTMENT HIGHLIGHTS

**Location:** Located directly across the street from San Diego State University with a 2010 enrollment of 30,016.

**Transit:** The project is a short walk to the Campus Transit Center and Trolley Station, which connects the University to major recreational and employment areas in San Diego including Downtown San Diego, Qualcomm Stadium and Petco Park.

**College Enrollment:** SDSU plans to increase the current number of full time students from 25,000 to 35,000 over the next 15 years.

**Incentives:** Located in the College Community Redevelopment Area, providing an opportunity for several redevelopment incentives including special public/private financing opportunities and permitting assistance.

**Acquisition Opportunity:** The property is directly adjacent to a proposed student housing project for 25 units which would house 92 residents called Aztec Court. The status of this project is unknown and may become available for acquisition to achieve higher economy of scale.

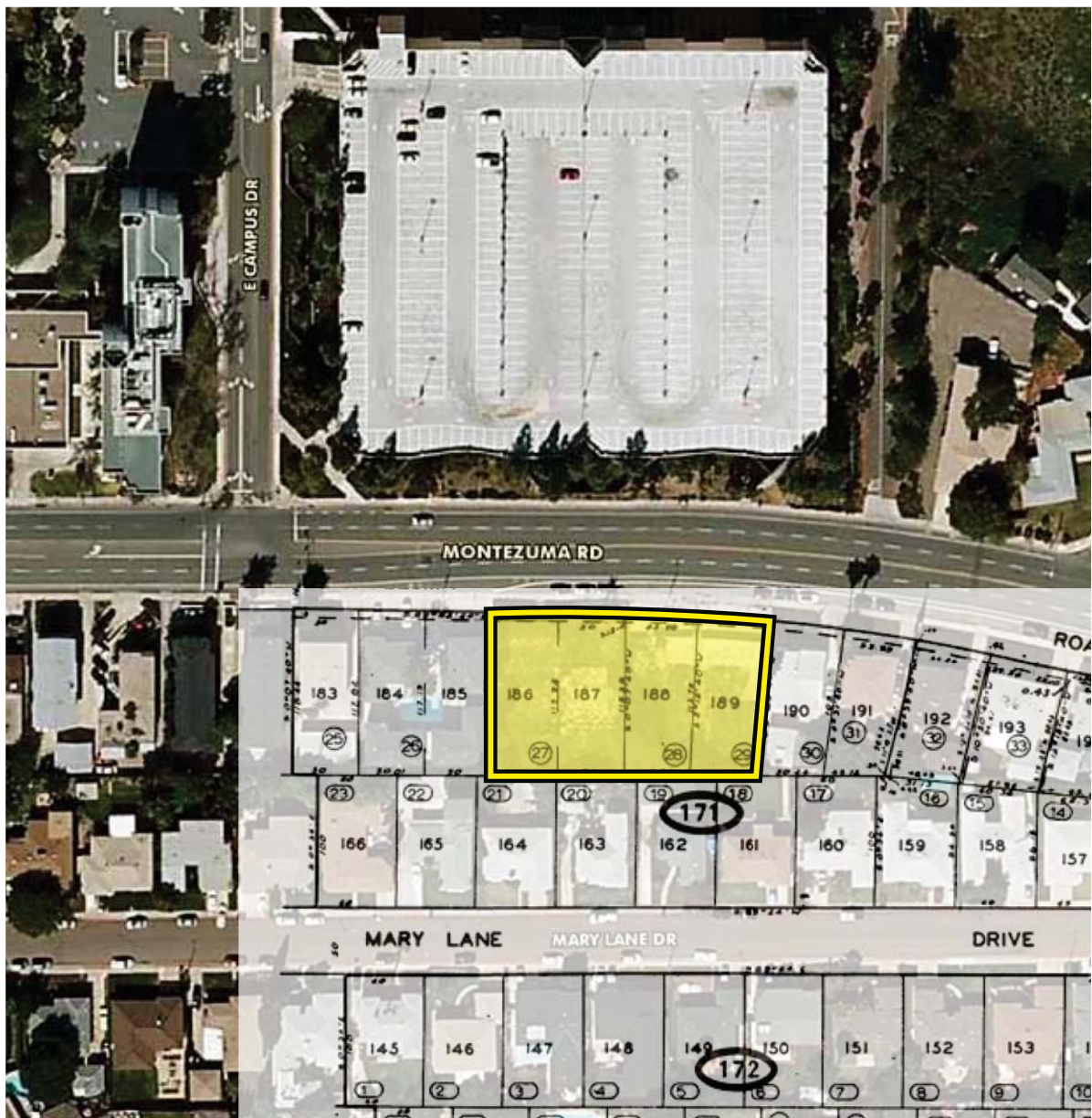


**SUBJECT PROPERTY:**  
6195 MONTEZUMA

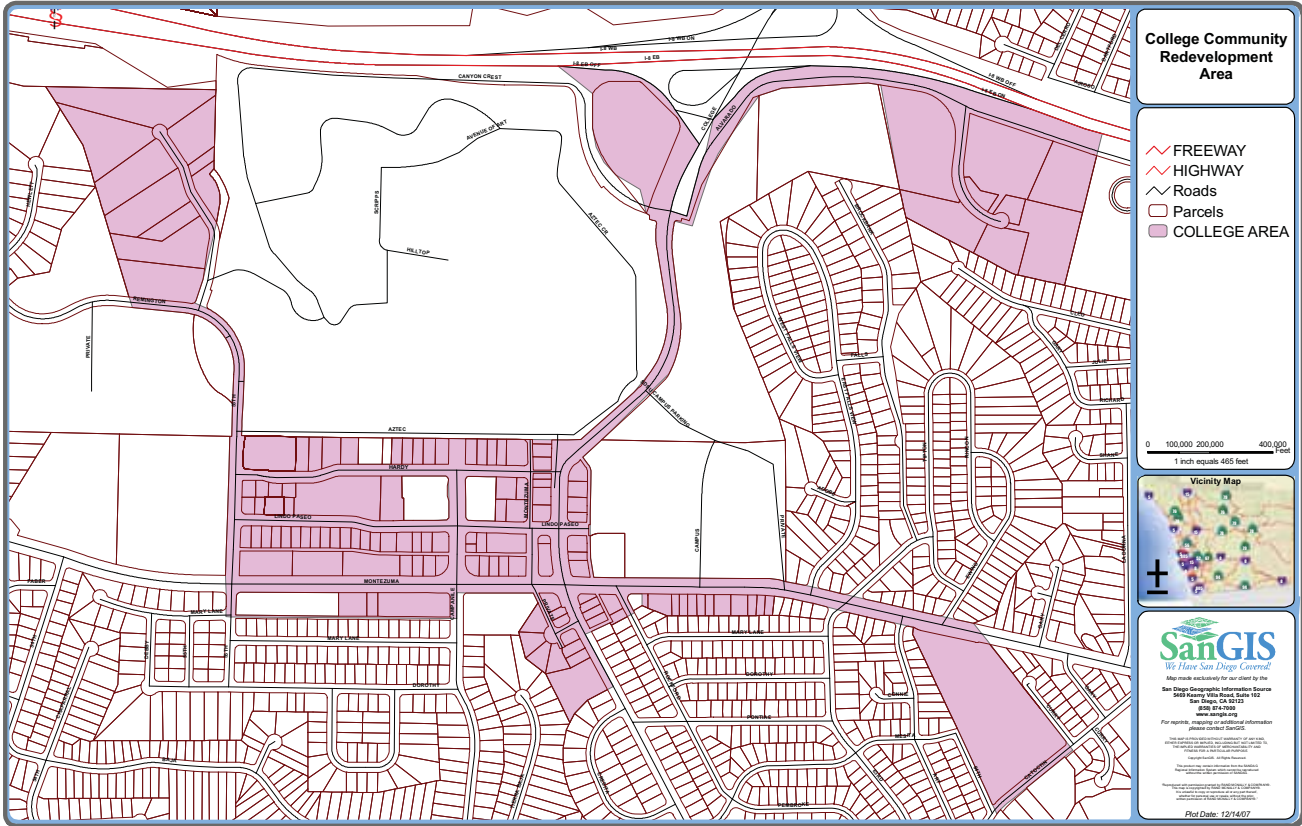


## EXISTING STATE EXECUTIVE SUMMARY

<b>APN</b>	467-171-27-00; 467-171-28-00 and 467-171-29-00
<b>Land Area</b>	0.566 acres
<b>Shape</b>	Rectangular (lot dimensions are approximately 120' x 200')
<b>Primary Frontage Road</b>	Montezuma Road
<b>Topography</b>	Slopes from rear of the parcel gently downward toward the front.
<b>Adjacent Land Uses</b>	Single and multi-family to the East, single and multi-family to the South, Multi-family/sorority to the West, University Parking Structure to the North
<b>Ad Valorem Tax</b>	Millage Rate 1.1015%. Fixed Assessment \$156.46. (2010-2011)
<b>Ingress/Egress</b>	Ingress to the site will be provided via an access drive located along Montezuma Road at the eastern edge of the site. Traffic will flow toward the rear or south side of the site and continue in a one-way direction counterclockwise, with egress onto Montezuma Road at the west side of the site.



**Zoning:** Parcel zoned RM-3-9. This is a multi-family residential zone within Community Implementation Overlay Area B and Campus Parking Impact Overlay zones. The maximum density allowed is one dwelling unit per 600 square feet. The project is also located within the College Redevelopment Area.

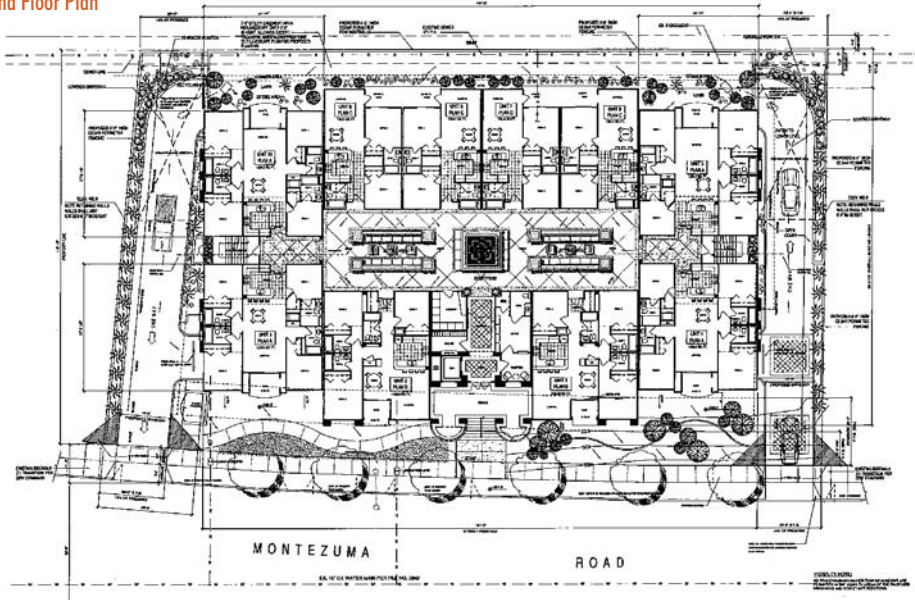


**Entitlement Status:** The owner/developer was granted a Site Development Permit No. 334896 by the City of San Diego on May 16, 2007 to construct the proposed project. The owner/developer was granted an extension of time on August 10, 2011. The permit is will expire on August 10, 2014.



# PROPOSED DEVELOPMENT CONSTRUCTION

Ground Floor Plan



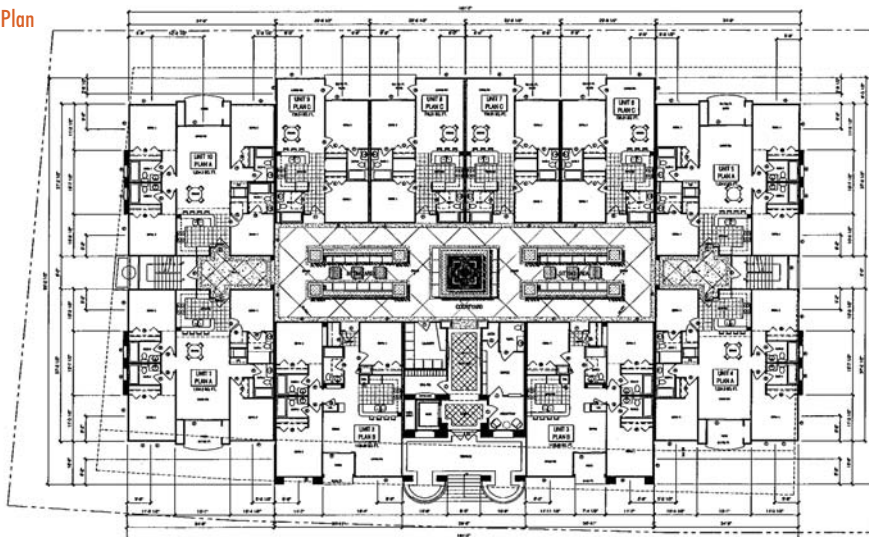
## Construction

The proposed project is a four story, wood frame building with concrete slab foundation and a flat built-up roof. The building will be served by one elevator. The units will feature eight (8) foot ceilings, carpet and vinyl tile floor covering and will have central forced air.

North Elevation

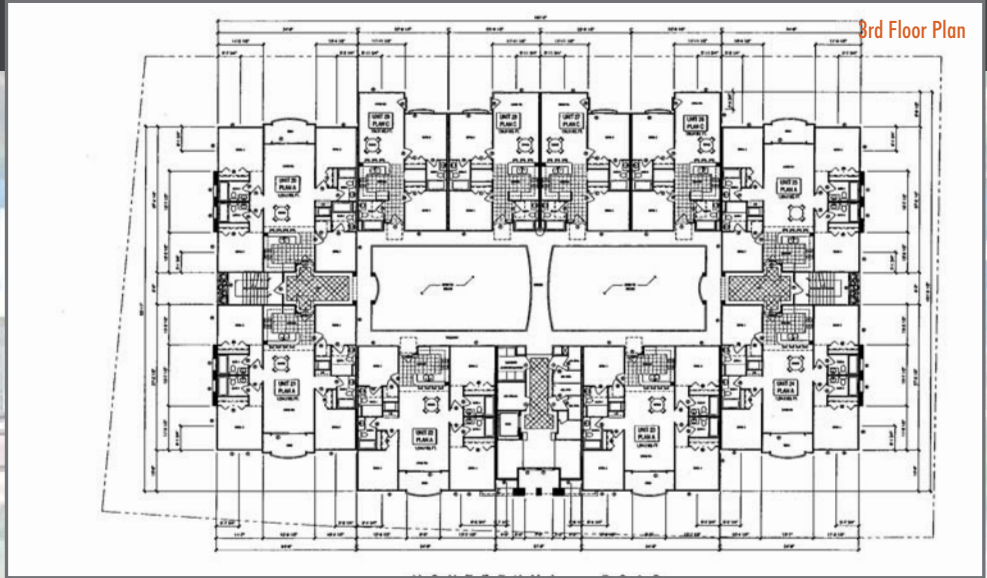
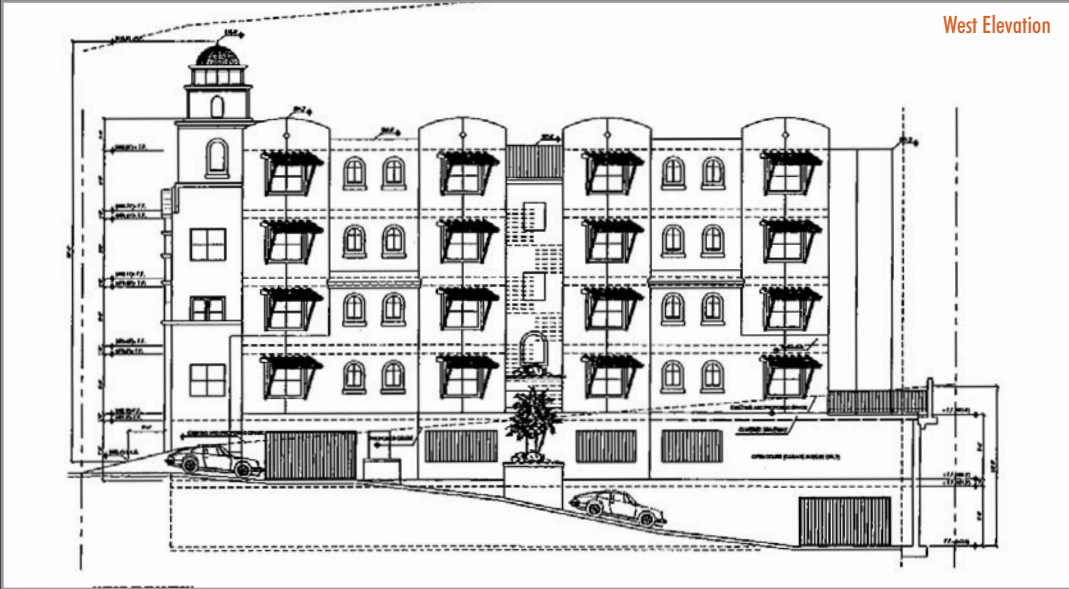


First Floor Plan



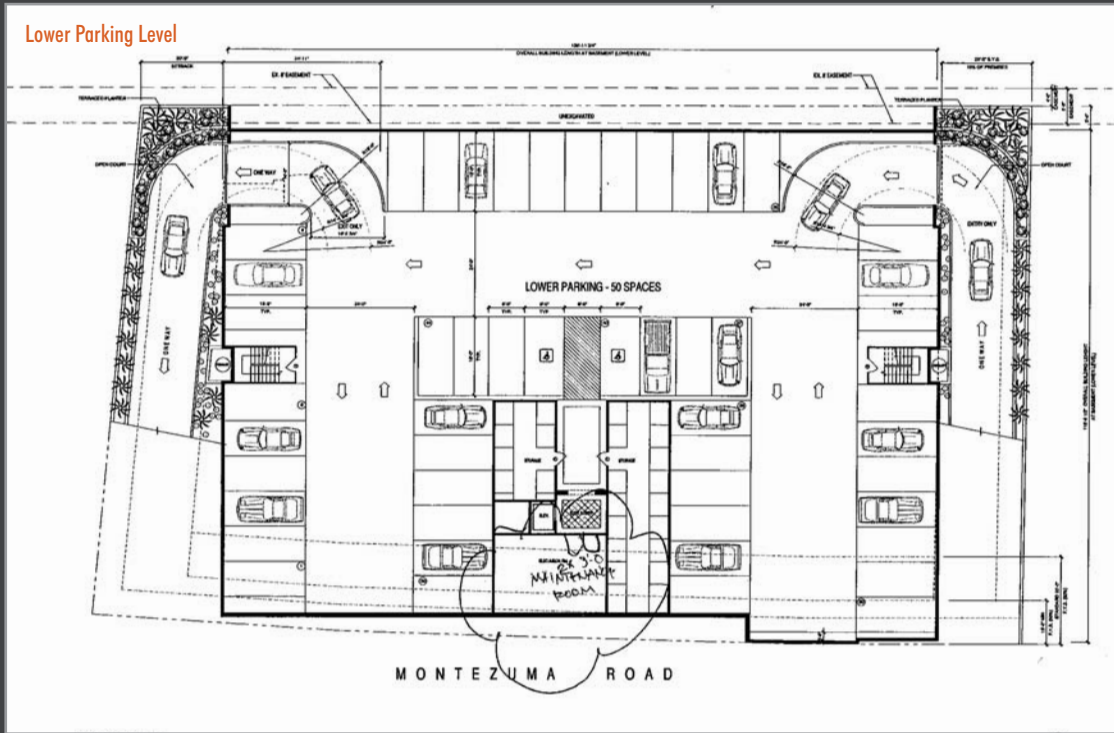
PROPOSED DEVELOPMENT

PROPOSED DEVELOPMENT CONSTRUCTION

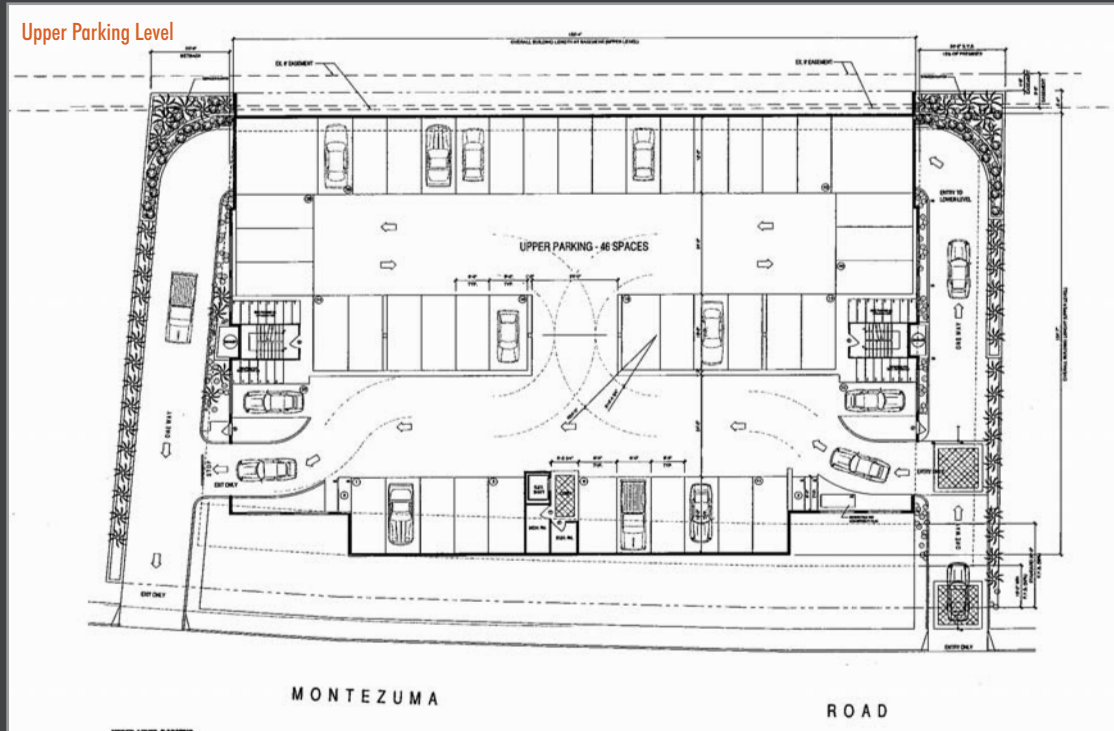


# PROPOSED DEVELOPMENT PARKING

PROPOSED DEVELOPMENT



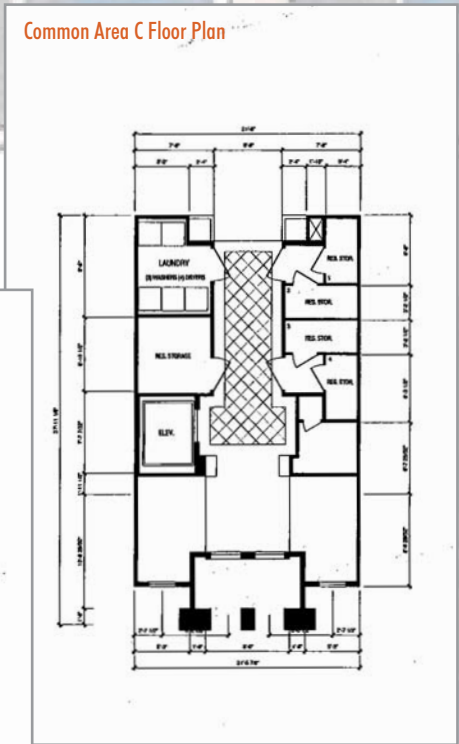
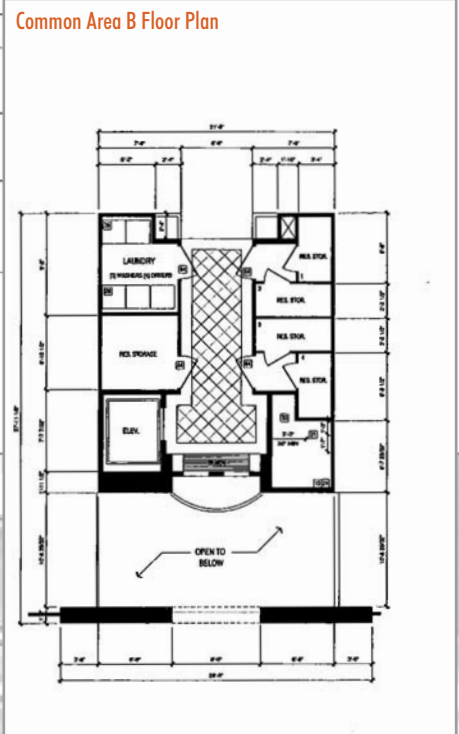
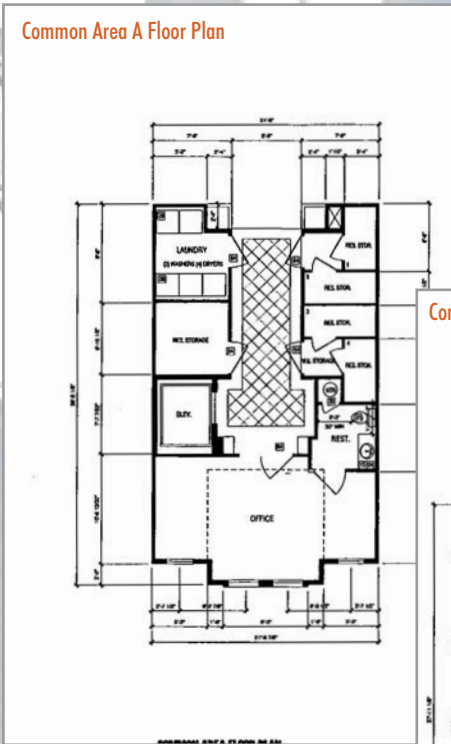
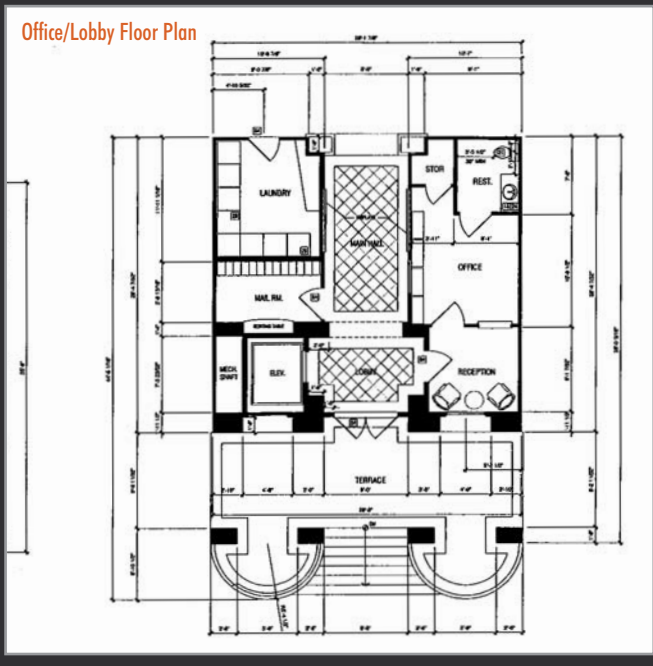
**Parking:** Parking will be provided at 2.4 spaces per unit. A two-level partially subterranean parking structure will provide space for 96 cars, five motorcycles and 29 bicycles.





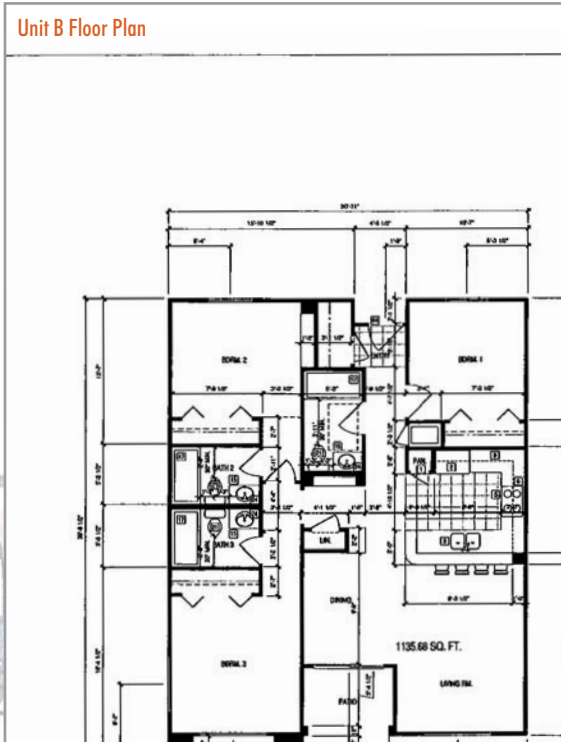
**Common Area Amenities/ Facilities:**

A central open-air courtyard with seating areas and a decorative fountain will be located in the center of the site. There will be three laundry rooms located by the elevator lobby on each of the floors. Individual storage lockers are to be provided in the lower parking level. A management/leasing office will be located on the first floor near the main entrance.



# PROPOSED DEVELOPMENT FLOOR PLANS

Unit B Floor Plan

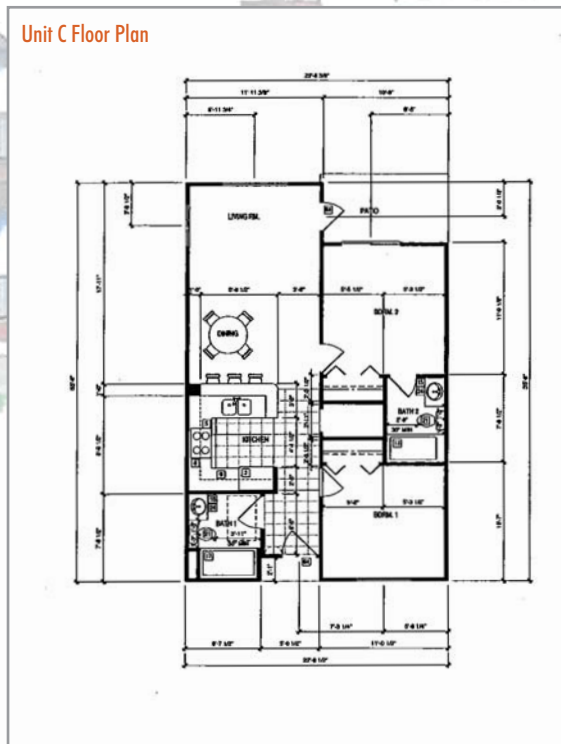


**Utilities:** The cooking energy will be electric. Utilities will be separately metered to each unit for electricity, gas, water/sewer, cable television and telephone. Each unit will be equipped with an individual gas water heater.

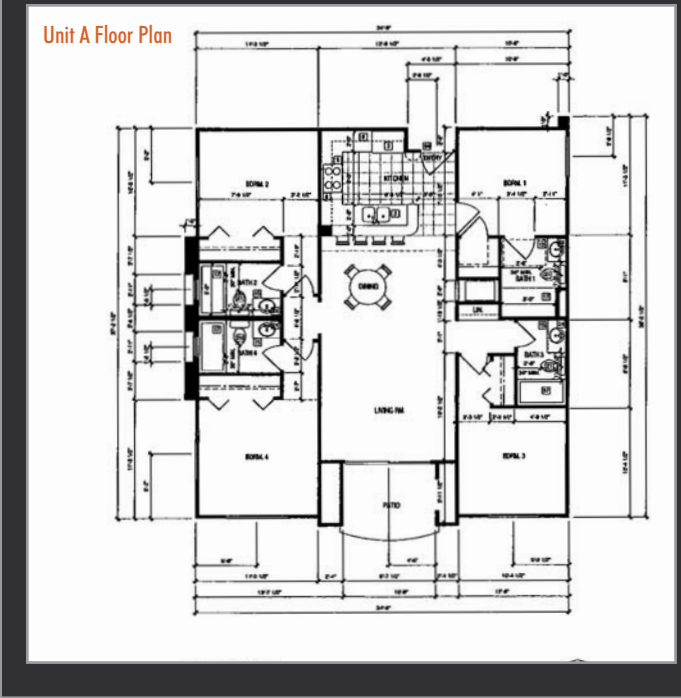
The Site Development Permit proposes that the units be offered in furnished condition. Furnishings for each unit will include a sofa, side chairs and tables and a 32" plasma screen television in the living room, dining room table and chairs, and beds, nightstands, desks and desk chairs in each bedroom.

Number	Unit Type	Size (SF)	Bedrooms
16	2br-2ba	738	21
2	3br-3ba	1,136	6
22	4br-4ba	1,252	88
40		41,624	126

Unit C Floor Plan



Unit A Floor Plan



**SAN DIEGO STATE UNIVERSITY**

San Diego State University (SDSU), founded in 1897 as San Diego Normal School, is the largest and oldest higher education facility in the greater San Diego area, and is part of the California State University system.

Current Enrollment		Gender		First-Time Freshmen		Undergraduate Transfers	
Undergraduate	24,950	Men	42%	Applied	44,746	Applied	16,721
Graduate	5,425	Women	58%	Admitted	13,404	Admitted	3,035
Total	30,016			Enrolled	3,302	Enrolled	2,174

**On-Campus Housing:**

- ∴ 6 on-campus residence halls with 3,235 bed capacity

**Future On-Campus Developments--Under Construction or Announced:**

- ∴ No new on-campus developments are currently under construction

**Off-Campus Housing:**

- ∴ 264 new units built since 2001
- ∴ 50 units (plus Village Lindo Paseo) units under construction
- ∴ 2,435 proposed units (not including subject)

**CLASS SCHEDULE BUILDING & LOCATION CODES**

A Art	G1	CSQ College Square	J9	MT Handy Tower	K3	POBL Attec Aquatics	A6
AC Attec Center	J6	XX Calcasalt	K7	ISC International Student Center	D4	PS Physical Sciences	I2
AD Administration	J3	DPS Public Safety	D5	IT Industrial Technology	I3	PSFA Professional Studies & Fine Arts	O2
ADH Adams Humanities	HS	E Engineering	I2	EL Live Library	I4	SM Storm Hall	O2
AL Arts and Letters	HS	EBA Education & Business Administration	K4	LSN Life Sciences North	H2	SLS Speech, Language, & Hearing Sciences	N8
ARC Alumni Center (Home Page: sdsu.edu)	D7	EC East Commons	J4	LSS Life Sciences South	H2	SSE Student Services East	K5
ARC Attec Recreation Center	15	ED Education	J4	LT Little Theatre	H3	SSW Student Services West	K5
ATC Attec Tennis Center	A6	EL Engineering Lab	I2	M Music	G8	TA Theatre Arts	G5
AZAT Attec Athletic Center	O6	EW Cook Hall	J3	W Music	J9	TRB Tule Hall	N8
BOOK Attec Shops Bookstore	J4	EMS Exercise & Nutritional Sciences	G5	MR Manchester Hall	15	TS Teasdale Hall	K9
BROS Bioscience Center	H1	ANNEX ENS Annex	G4	NE North Education	J4	XX Teague	J8
CHAL Chalmers Hall	H4	ESC Extended Studies Center	16	NW North Hall	F2	TGS Tom Longan Stadium (at North South Field)	A5
CLP Calpell Center (Student Health Services)	O7	GC Gateway Center	68	PA Physics	J8	TJHA Tule Hall	K9
COM Communication	O3	CMCS Geology / Mathematics / Comp Science	G3	PH Physics	I3	VEJAS Veljas Arena	F6
CSO Chapel Hill	O4	HN Housing Admin. / Residential Edu.	J9	PG Peterson Gym	1	WC West Commons	O3
CSL Chemical Sciences Laboratory	K3	NH Hegger Hall	J9		D6	ZRH Zura Hall	K8

**LEGEND**

- Information
- Restricted Access
- Footbridge
- ATM
- Mts Trolley/Bus Stops
- Red/Black Shuttle
- University Police
- Construction Area
- Bike Parking/Route
- Safety Escort Phone

**PARKING**

- Student (Day Use)
- Student (Overnight)
- Faculty & Staff
- Parking Visitor / Metered
- Disabled
- Special Permit
- Motorcycles

**PERMIT ALWAYS REQUIRED**

**CLASS SCHEDULE BUILDING & LOCATION CODES**

**SEE CLASS SCHEDULE FOR ADDITIONAL CAMPUS BUILDING INFORMATION**

**[www.sdsu.edu]**

SDSU INFORMATION: 594-5200  
LIBRARY INFO DESK: 594-6724  
UNIVERSITY POLICE: 594-1991  
PARKING SERVICES: 594-6671  
STUDENT HEALTH SERVICES: 594-4325

## STUDENT HOUSING

## Recently Completed

- Sterling Collwood (4929 Collwood Boulevard). Sterling Collwood is a LEED certified 260 unit, 606 bed student housing development built in 2010. The project is not within walking distance of the University and offers continuous shuttle service to campus.

## Under Construction

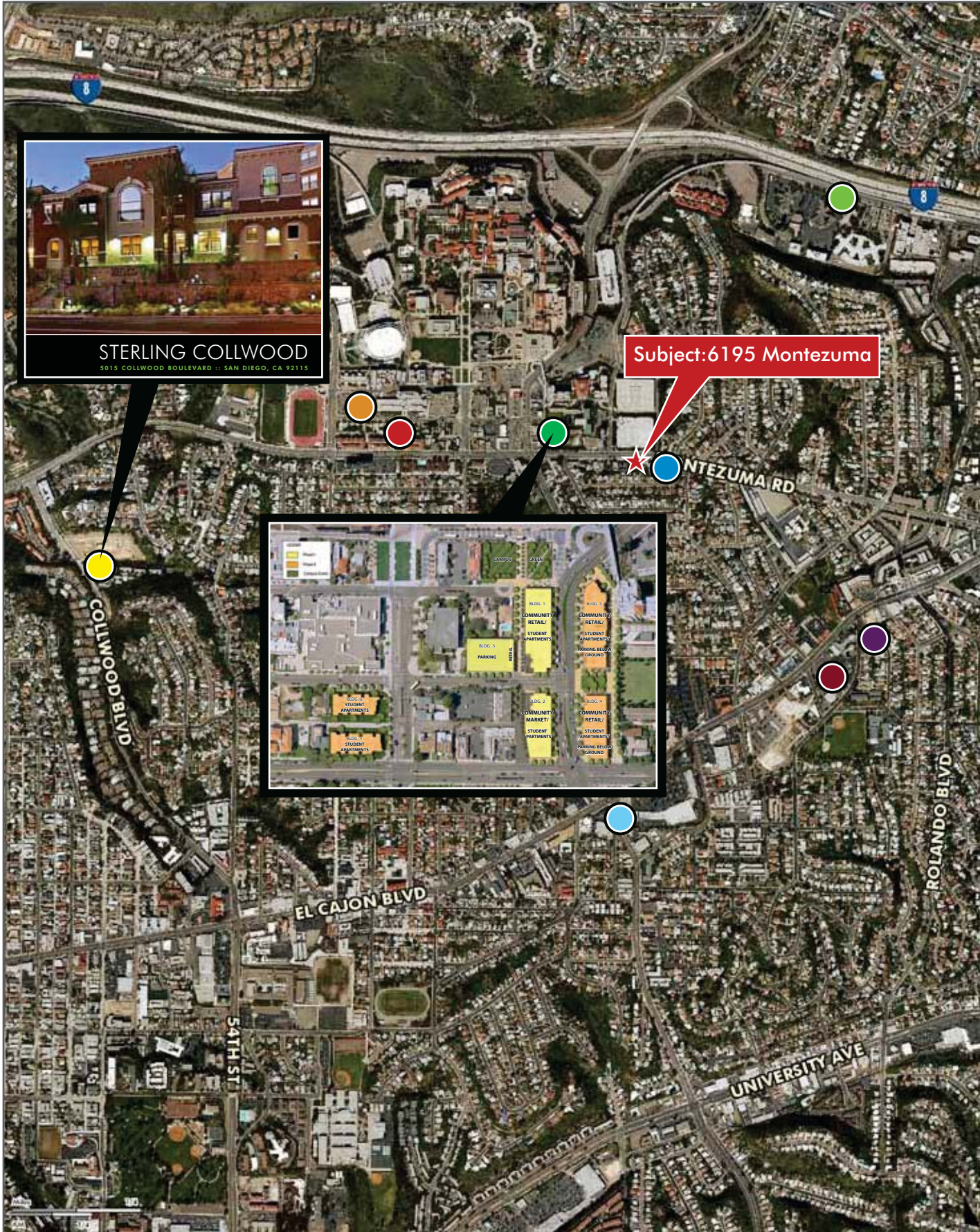
- 55th & Hardy – The project consists of 50 dwelling units for 190 students over 2-levels of subterranean parking with ground level commercial retail on a 0.68-acre site. The project is currently under construction with the second story framed and a completion date of fall 2011.
- Village Lindo Paseo (South side of Lindo Paseo between 55th & Campanile). Four story apartment building with 193 rooms containing beds for 386. The individual rooms will not contain kitchens and will be equipped with mini-refrigerators and microwave ovens. The unit sizes range from 173 to 286 square feet. The smaller units are interlocking singles.

## Proposed

- Aztec Budget Inn (6050 El Cajon Blvd). The proposed project is for construction of a four-story mixed use structure containing 75 residential units and 3,000 sq. ft. of retail space. The project received approval in 2007, but no construction timeline has been established.
- Mesa Commons (6456 El Cajon Blvd). Proposed mixed-use project including 85 residential units and 2,833 square feet of retail space. The project has been approved by the City of San Diego but no construction timeline has been established.
- Aztec Court (3 single family lots immediately east of subject). Four-story apartment building with 25 apartments to house 92 residents. Construction date is unknown.
- Alvarado Apartments (Alvarado Road west of Alvarado Hospital). Proposed project consisting of two five-story buildings with 650 units to house 900 students. Rezoning has been approved and demolition of medical office buildings is planned for Spring 2011.
- Plaza Linda Verde (East & west side of College Ave, north of Montezuma Rd.) Considered the “front door” to the university, the proposed project is a pedestrian- and transit-oriented, mixed use development. Plaza Linda Verde will be privately financed by the university. The first phase calls for housing for about 600 students and 45,000 square feet of retail space, with parking, that will serve the campus and the community. Planners envision a grocery store, a casual dining restaurant and other retail uses. A second phase, on the east side of College Avenue, would add housing for 1,000 more students and another 45,000 square feet of retail. The university has released a draft environmental impact report. Construction could begin on Plaza Linda Verde in approximately three years.
- Center Point – (Corner of 63rd & El Cajon Blvd - former Albertson’s center). Originally approved for market rate condos, but with the downturn in the housing market, the project was revised in 2007 for a student housing project. The status of the revised plan is unknown.

## Mini-Dorms


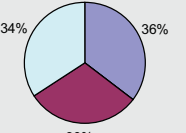
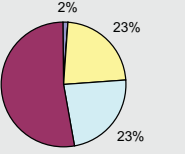
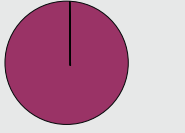
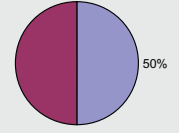
The lack of student housing in the immediate area led to an undesirable trend called mini dorms. Entrepreneurial students were successful in turning houses in to “dorms” around San Diego State University. However, the trend led to a variety of disturbance issues which adversely affected the local single dwelling unit neighborhood. The City began addressing mini dorms with a variety of approaches including a combination of existing and new regulatory and enforcement in 2008. On April 15, 2008, the City Council voted to approve the Rooming House Ordinance as an additional tool to address mini dorms. The Rooming House Ordinance generally defines “rooming houses” as dwelling units with 3 or more bedrooms that are rented separately to tenants by the individual bedroom, and then prohibits rooming houses from locating in low density residential zones.



## COMPARABLES RENTAL



PROPERTY	AZTEC CORNER	STERLING COLLWOOD	PIERDRA DEL SOL	VILLA ALVARADO APARTMENTS	PRAVADA
Address	5504 Montezuma	5015 Collwood	5604 Hardy Ave.	6161 Alvarado Rd.	8655 Fletcher
Submarket	College	College	College	College	La Mesa
# of Units/Beds	180/606	260/606	66/All singles	90/All singles	230/All singles
Built	2001	2010	1999	unknown	2009
Studio Rent		\$975	\$1,099		
Square Feet		398	600		
Rent/SF		\$2.45	\$1.83		
1/1 Rent					\$1,500 - \$1,630
Square Feet					616-726
Rent/SF					\$2.25 - \$2.43
1/1 (double) Rent	\$1,248				
Square Feet	575				
Rent/SF	\$2.17				
2/1 Rent			\$1,550		\$1,663
Square Feet			730		996
Rent/SF			\$2.12		\$1.67
2/2 Rent		\$1,900		\$1,700	\$1,725 - \$1,874
Square Feet		1,004		900	1,048 - 1,275
Rent/SF		\$1.89		\$1.89	\$1.47 - \$1.65
2/2 (double) Rent	\$2,316	\$2,500			
Square Feet	975	1,004			
Rent/SF	\$2.38	\$2.49			
3/2 Rent			\$2,120		
Square Feet			1,025		
Rent/SF			\$2.07		
4/4 Rent		\$3,230	\$2,529		
Square Feet		1,417	1,080		
Rent/SF		\$2.28	\$2.34		
4/4 (double) Rent		\$3,830			
Square Feet		1,417			
Rent/SF		\$2.70			

PROPERTY	AZTEC CORNER	STERLING COLLWOOD	PIEDRA DEL SOL	VILLA ALVARADO APARTMENTS	PRAVADA
Unit Mix					
Construction	4-story Wood Frame Over Subterranean Garage Stucco Exterior	5-Story Wood Frame Slab on Grade Stucco Exterior	4-story Wood Frame Over Subterranean Garage Stucco Exterior	2 & 3-story Wood Frame Slab on Grade Stucco Exterior	3 & 4-story Wood Frame Over Subterranean Garage Stucco Exterior
Roof	Pitched Tile	Flat	Flat	Pitched Tile	Flat
Elevator Served	Yes	Yes	Yes	No	Yes
# of Buildings	3	4	1	unknown	3
Furnished	Yes, Included	Yes, \$25/bed/month	No	Yes	No
Unit Amenities	Patio/Balconies, Storage Closet, A/C	Patio/Balconies, A/C	Private Patio/Balcony, A/C	Patio/Balcony, A/C	Patio/Balcony, A/C, Pantry, Outdoor Storage
Laundry	Common Laundry	Full size in unit	Common Laundry	Common	Stacked in unit
Common Area Amenities	Controlled Access	Pool, Fitness Center, Tanning Bed, Internet Café, Study Rooms, Free Bike Rental	Spa, Entertainment Center w/ a big screen TV, Billiards Table, BBQs in the Courtyard, Study Room	TV Lounge and Community Kitchen, Barbeque grills and Picnic areas	Pool & Spa, Fitness Center, Concierge Services, BBQ Area, Clubroom
Parking	Tandem underground parking for \$50/month & Surface Space for \$25/month	Garage parking for \$55/month single space or \$60/month for tandem space.	Studio & 2-br assigned 1 space, 3 & 4-br assigned 2 spaces	Parking consists of student university lots. Permits are purchased through the University.	Assigned parking in secured garage.
Utilities	W/S/T, Cable, Internet Included	W/T/S, Internet Included	W/T/S, Cable, & Internet Included	W/T/S, Cable & Internet Included	Tenant pays all
Comments	Roommate matching. There are no single occupancy rates.	Roommate matching. LEED Certified property with energy efficient fixtures, windows and appliances. Solar powered units have \$30-\$50 premium	"Managed by SDSU. No roommate matching. 12-month lease required. Must be enrolled at SDSU."	"Managed by SDSU. No roommate matching. \$100/month premium for 9 month lease." "	No roommate matching.
Location	Similar - Walking distance to University.	Inferior. Not walkable to University. Property offers shuttle service.	Similar - Walking distance to University.	Similar - Walking distance to University	Inferior. On the Trolley line, providing direct access to SDSU.

# FINANCIALS ANALYSIS

		\$/Unit	\$/SF	
Land Price	\$3,650,000	\$91,250	\$148	per Land SF
Cost to Complete	\$10,083,415	\$252,085	\$242	per Building SF
<b>ALL IN PRICE</b>	<b>\$13,733,415</b>	<b>\$343,335</b>	<b>\$330</b>	per Building SF

DOWN PMT	\$3,000,000
% DOWN	22%

	<b>Proforma</b>
CAP RATE	7.32%
GRM	9.8

## INCOME SUMMARY

# Units	Unit Type	Bedrooms	Sq. Ft.	Total Sq.Ft.	\$ Rent/ Bedroom	\$ Rent/ Unit	\$/Sq.Ft.	Total Proforma
16	2bd/2ba	32	738	11,808	\$925	\$1,850	\$2.51	\$29,600
2	3bd/3ba	6	1,136	2,272	\$925	\$2,775	\$2.44	\$5,550
22	4bd/4ba	88	1,252	27,544	\$925	\$3,700	\$2.96	\$81,400
<b>40</b>	<b>Total/Avg</b>	<b>126</b>	<b>1,041</b>	<b>41,624</b>	<b>\$925</b>	<b>\$2,914</b>	<b>\$2.80</b>	<b>\$116,550</b>

## ANNUALIZED GROSS INCOME

	<b>\$1,398,600</b>
Vacancy/Delinquency/Loss to Lease	Proforma 5.00% <b>(\$69,930)</b>

## ADJUSTED GROSS INCOME

	<b>\$1,328,670</b>
Parking Income (96 Spaces @ \$60 a month)	\$69,120
Other Income	\$2,000

## EFFECTIVE GROSS INCOME

	<b>\$1,399,790</b>
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### Less Estimated Expenses:

		Proforma	
		\$/UNIT	\$/YEAR
Property Taxes	1.10150%	\$3,782	\$151,274
Fixed Assessment		\$4	\$156
Insurance		\$250	\$10,000
<u>Controllable Expenses</u>			
Repair & Maintenance		\$750	\$30,000
Payroll Expenses		\$2,300	\$92,000
Third Party Management	3.00%	\$1,050	\$41,994
Utilities: Gas & Electric		\$145	\$5,800
Utilities: Water & Sewer		\$145	\$5,800
Utilities: Trash		\$240	\$9,600
Contract Services (pest, cleaning, lanscape)		\$311	\$12,440
Advertising & Admin		\$375	\$15,000
Capital Expenses/Reserves		\$500	\$20,000

Exp./unit:	\$9,852	<b>(\$394,064)</b>
Exp/psf:	\$9.47	
Exp. % of SGI:	28.2%	

## NET OPERATING INCOME

	<b>\$1,005,726</b>
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Amortization

30

Rate

4.00%

Debt Service

\$10,733,415 @

\$614,916

**CASH FLOW**

**\$390,811**

Return on Down Payment  
DCR

13.03%  
1.64



**6195 Montezuma Rd  
Developer's Preliminary Cost Breakdown**

			<u>Costs</u>
<b><u>Building Costs</u></b>			
Units:40	41,640 SF	\$100	\$4,164,000
Common Area			
Decks	1,000 SF	\$25	\$25,000
Office, Lounge, Maintenance Utility, Mail	3,442 SF	\$75	\$258,150
Elevator			\$100,000
Stairs			\$100,000
Demolition/Abatement			\$150,000
Parking Garage (95 spaces, 4 motorcycles)			
Lower	18,603 SF		
Upper	16,536 SF		
Podium	15,939 SF		
	<u>51,078 SF</u>	\$33	\$1,685,574
Excavation			\$650,000
Shoring			\$150,000
Landscape			\$65,000
Retaining Walls			\$200,000
Walks/Driveways/Curbs			\$100,000
<b><u>Soft Costs</u></b>			
Plans/Engineering			\$221,717
Permits/Processing			\$50,000
Water/Sewer Capacity		\$7,171	\$200,000
Park Fees	40 Units	\$2,404	\$96,160
School Fees	41,640 SF	\$2.30	\$95,772
Transportation Fees			\$230,000
Development Impact Fees			\$99,392
Inclusionary Housing Fees	41,640 SF	\$4.98	\$207,367
Water Meter			\$7,500
<b><u>Subtotal - Building &amp; Soft Costs</u></b>			<b><u>\$8,855,632</u></b>
Contingency		5.0%	\$442,782
Financing			\$785,000
Developer's Profit			\$1
<b><u>Total Costs</u></b>			<b><u>\$10,083,415</u></b>

**OVERVIEW**

San Diego has evolved from a small military town located between Los Angeles and Mexico into the seventh largest city in the U.S. with one of the nation’s most diverse local economies. Over the past 20 years, San Diego has developed its own progressive identity while growing into the nation’s sixth largest county.

Defense is still the county’s top industry along with manufacturing, tourism, and agriculture. San Diego’s economic growth has been fueled by expanding technologies and growing core industry clusters including biotech/bioscience, defense and space manufacturing, electronics manufacturing, financial and business services, software, and telecommunications

Many regional economists and organizations see a continuing diversification of San Diego industry clusters. The separate economic impacts of uniformed military activities contrasted against defense contracts awarded to local companies both benefit the overall economy while continuing to expand in progressive yet divergent paths. Biotech, software, and telecommunications companies all contribute to regional manufacturing but the individual industries are also expanding into new territory, further diversifying San Diego’s core economic drivers.

Large international corporations like Qualcomm have established their headquarters in San Diego but the county is unique in that relatively small companies comprise the vast majority of employers in the region. More entrepreneurial than most markets, an estimated 75% of San Diego companies



have 10 employees or less.

San Diego’s geography and transportation corridors create an efficient system that streamlines traveling. The 40-mile commute from Oceanside, the county’s northern-most coastal city, to downtown San Diego takes less than an hour during non-rush times. Additionally, the region’s large network of interstate freeways and state highways provide access to the surrounding areas in Orange, Riverside, Los Angeles and Imperial Counties, as well as Mexico.

**Geography**

Framed by the Pacific Ocean to the west, magnificent mountains and majestic desert to the east, Orange and Riverside counties to the north and Mexico to the south, San Diego County encompasses 4,261 square miles.

The county’s 70 miles of coastal beaches, numerous lakes plus Mission Bay and San Diego Bay provide ample opportunities for water sports and fishing enthusiasts. San Diego’s expansive terrain and ideal climate encourage outdoor activities such as hiking, biking, swimming, surfing, diving, golf, aviation, free flight, and on-road/off-road action sports.

**Climate**

The National Weather Bureau reports an average of 9.5 inches of rain falls annually in the county, typically between December and March. With an average daily temperature of 70.5 degrees and 300 sunny days a year, San Diego’s climate is one of its greatest assets.



**DEMOGRAPHICS**

**Population**

With a total population close to 1.3 million, San Diego is the second largest city in California behind Los Angeles. At approximately 3.0 million people, San Diego County is the third largest county in the state and the sixth largest county in the country.

Throughout the 1980s, San Diego County added approximately 80,000 people per year. The population explosion tapered off through the 1990s and into the new century as the county’s economic focus began to evolve. From 2000 to 2009, San Diego County’s population grew 8.91% and the trend is projected to continue with a 5.96% growth rate from 2009 to 2014.

**Income**

The 2009 average household income in San Diego County was \$84,400 and is projected to increase 12 percent over the next five years. This compares favorably to the state average of \$72,614 and the national average of \$60,277.



San Diego’s GRP took its first dip in 40 years, dropping to \$168.7 billion. Economists project that the 2010 San Diego County GRP will grow to \$174.5 billion by year-end—accounting for approximately 10% of the California total. If San Diego County were a country, it would rank as the 47th largest economy in the world.

**Unemployment**

Historically, the unemployment rate in San Diego County has been consistently lower than the state and on par with the national average. San Diego’s unemployment rate was 11.0% in March 2010, compared to the California rate of 12.6% and the national rate of 9.7%.

TOP 10 SAN DIEGO EMPLOYERS BY			
Rank	Company	2008 Revenue	Public/Private
1	Qualcomm Inc.	\$11,142 M	Public
2	Sempra Energy	\$10,758 M	Public
3	Jack in the Box	\$2,539.6 M	Public
4	Leap Wireless	\$1,958.9 M	Public
5	Life Technologies	\$1,620.3 M	Public
6	AMN Healthcare	\$1,217.2 M	Public
7	PriceSmart Inc.	\$1,119.9 M	Public
8	Calloway Golf	\$1,117.2 M	Public
9	DJO Inc.	\$980.2 M	Private
10	Cubic Corp.	\$881.1 M	Public

Source: San Diego Business Journal 2010 Book of Lists

**Education & Research**

Approximately 35% of San Diego’s adult population has earned at least a bachelor’s degree. Respected universities and research organizations such as UCSD, Scripps Research Institute, Salk Institute for Biological Studies, and Burnham Institute for Medical Research are the cornerstone for the success of San Diego’s technology advancements.

**Gross Regional Product**

San Diego County’s Gross Regional Product (GRP), the estimated total value of the regional economy, reached a record \$169.3 billion in 2008. In 2009,

**What Others Say**

- Qualcomm ranked No. 8 on Fortune magazine’s 2008 “100 Best Companies to Work For” list
- Scripps Health ranked No. 56 on Fortune magazine’s 2008 “100 Best Companies to Work For” list
- Sempra Energy has earned the No. 2 ranking among electric and gas utilities on Fortune magazine’s 2008 “America’s Most Admired Companies” list
- San Diego State University’s undergraduate international business program ranks No. 15 in the nation, according to the new U.S. News and World Report “America’s Best Colleges 2008 Guide”
- University of California, San Diego’s graduate education programs maintained their top national rankings in the 2008 U.S. News & World Report “Graduate School Survey”
- University of San Diego’s undergraduate business program is ranked one of the Top 5 in California and No. 47 in the nation by BusinessWeek
- University of San Diego’s MBA program is ranked No. 1 in Southern California and No. 37 in the world by the Aspetutredition of Beyond Grey Pinstripes
- San Diego is ranked No. 4 on Scarborough Research’s list of digital-savvy cities

## MAJOR INDUSTRIES

### Manufacturing

Manufacturing industries such as computers and electronics, communications and recreational goods



contribute significantly to the regional economy, adding an estimated \$28 billion annually to the GRP. Long considered the golf capital of the world, San Diego is home to many leading golf manufacturers, including Titleist, TaylorMade, Cobra, Callaway Golf and Ashworth.

### Defense

San Diego has the largest military complex in the country and is clearly a leader in homeland security efforts. One-fifth of the U.S. Naval Fleet is stationed here, including two Navy supercarriers (USS Nimitz & USS Ronald Reagan), as well as the Space and Naval Warfare Systems Center (SPAWAR) with an annual operating budget of \$4.6 billion. Camp Pendleton Marine Base is located in the northwest corner of the county and the Marine Corps Recruit Depot is located just north of downtown. San Diego has one of the strongest defense-based R&D sectors in the world with an annual economic impact of \$26.5 billion—approximately one out of every four jobs in San Diego County is military and/or defense-related (23%).

### Biotechnology & Pharmaceuticals

Over 500 biotech companies in San Diego County employ more than 36,000 people and generate approximately \$8.5 billion annually. As a national leader in biotechnology and life sciences, San Diego has one-fourth of California research institutes, captures more than 60% of National Institute of Health (NIH) awarded projects and receives approximately 60% of NIH funding.

### Communications

The communications industry in San Diego is at the forefront of wireless technology innovation with an annual economic impact of \$11.5 billion. Communication giants such as Qualcomm, Kyocera, Sony, Intel, Sun Microsystems, Oracle, Ericsson, Motorola, LG, Hewlett Packard, Cisco Systems and Nokia have local operations, helping to position San Diego as the wireless capital of the world.

### Tourism

The city of San Diego is a coveted destination for domestic and international travelers that contributed almost \$7.0 billion to the local economy in 2009. Tourism is now the third largest revenue generator in San Diego County behind manufacturing and the military. The recent expansion of the convention center and opening of the Padres' Petco Park downtown have fueled a tremendous amount of redevelopment in and around the already popular Gaslamp Quarter downtown. Often overlooked in the downtown area is Little Italy, which like the Gaslamp Quarter has enjoyed a vigorous renaissance in recent years.

### Agriculture

The agriculture industry in San Diego County contributes more than \$1.5 billion annually to the local economy. Much of the county's 312,766 total crop acreage is rangeland, according to the county's 2008 crop report. Of the remaining 64,694 farmed acres, about 8.5 percent is dedicated to organic farming. San Diego County has more farms than any other county in the U.S. and ranks No. 1 in the nation with over 340 organic farms.



### Venture Capital

Venture capital investments in San Diego businesses have remained steady over the past five-years with only minimal variations due to recent overall economic uncertainty. In San Diego County, 29 startups garnered \$222 million in first quarter 2010. San Diego early stage and startup companies averaged \$7.9 million per deal in the first quarter, which is above the \$4.8 million national average for early stage and startup companies.

## TRANSPORTATION

### Freeways

San Diego is well-served by a large network of interstate freeways and state highways. The four major interstates serving San Diego include the I-5, I-15, I-8 and I-805. Regional access has been improved with the creation of the I-15 Reversible Lane Control System and addition of State Route 56.

### Rail and Mass Transit

Passenger rail service in the region is provided by Amtrak, as well as the Coaster commuter line. The San Diego Trolley runs from downtown, south to the Mexican border and east to Santee, with future connections planned to University Town Center and the University of California San Diego campus. In North County, construction was recently completed on



the SPRINTER, a light rail system that will run from Oceanside to Escondido. Municipal bus service is provided by the Metropolitan Transit System, which operates 29 bus routes, covering 635 miles and serving approximately 2 million people annually.

### Port of San Diego

The Port of San Diego is comprised of 2,498 acres of land and 2,993 acres of water located within the cities of San Diego, National City, Chula Vista, Imperial Beach and Coronado. The Port also serves as home to one of the largest United States Navy bases in the world. The Port's businesses are divided into two major categories. First is the travel and visitor sector, which includes hotels, restaurants, retail shops, marinas, boat charters, sport fishing, yacht clubs, cruise lines and other recreational businesses. The second includes industry and trade sector which includes manufacturing, cargo handling, wholesale trade and trade services. The Port's top trading partners include China, Japan, Mexico, Canada, Korea, Australia, Chile and the Pacific Northwest.



### Airports

San Diego County is home to 11 airports with San Diego International Airport being the nation's busiest single-runway commercial airport with 24-hour-a-day activity. The airport creates jobs for nearly 5,000 people and its operations contribute almost \$5 billion annually to the regional economy. Also referred to as Lindbergh Field, 26 national and international commercial carriers are served by two terminals, plus a separate commuter terminal. In 2009, approximately 8.5 million international and domestic passengers arrived at Lindbergh Field.

### California and Mexico Border

The San Ysidro border crossing in San Diego South County is the most highly traveled non-militarized border in the world with over 41 million people and 17 million cars passing into the U.S. from Mexico on an annual basis. Conversely, San Diego serves as a gateway to Mexico, capitalizing on NAFTA trade agreements and expanding imports through Maquiladora factory operations on both sides of the border. Mexico and NAFTA are key factors in San Diego's continued economic prosperity, export production and growth. International trade accounts for more than one-third of San Diego manufacturing dollars. San Diego has been able to generate new manufacturing jobs while other regions across the country see manufacturing operations moving offshore.



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**QUALITY OF LIFE**

San Diego is known as “America’s Finest City” where residents and visitors enjoy an ideal climate with a year-round spectrum of color, from the red roof of the Del Coronado to the crystal blue water of the Pacific Ocean. Colorful flowers are a common thread that ties San Diego, from the flower fields of Carlsbad to the poinsettias of Encinitas to the wildflowers of the Anza-Borrego desert. Del Mar and the surrounding



communities enjoy a colorful ritual of beautiful hot air balloons everyday at sunset. Communities throughout San Diego enjoy a colorful variety of village fairs, farmers markets, art shows, music festivals and free concerts.

**Recreation**

Recreational opportunities abound at local beaches and lakes, deserts and mountain areas for hiking, biking and camping. Balboa Park, with its timeless architecture and beautiful landscaping, great restaurants, museums and world-famous San Diego Zoo offer plenty of opportunities to relax and spend quality time.

San Diego is a beach-lovers paradise with such world-class beaches as La Jolla, Torrey Pines, Del Mar and Encinitas. Popular water sports include swimming, sailing, surfing, scuba diving, jet skiing, kayaking, water skiing and boating. California Gray Whales can be spotted off the San Diego coast during their annual migration from Alaska to Baja during the months of January, February and March.

With approximately 90 golf courses in the county, there are plenty to challenge golfers of all abilities. In addition to PGA Tour stop (and 2008 US Open host site) Torrey Pines Golf Course, San Diego offers some of the region’s best public and private facilities.

**Hospitals and Healthcare**

San Diego is well-equipped with modern health care facilities and professional medical personnel



working in 27 hospitals and six trauma centers throughout the county. The Scripps Health and Sharp HealthCare networks offer state-of-the-art medical treatment facilities, which are supported by some of the country’s top medical research teams.

**Colleges and Universities**

Leading educational institutions such as the University of San Diego, San Diego State University and University of California San Diego are training much-needed engineers for the telecommunications, electronics and software industries, as well as



research scientists for the biotechnology industry. Several world-class research institutions call San Diego home, including the Scripps Research Institute, Scripps Institution of Oceanography, Salk Institute and the Burnham Institute.

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